4   FOOD PACKAGE/DRAFT ISSUANCE   *Effective: 3/1/98*
4.41   Lost and Stolen Drafts   *Revised: 7/1/01*

POLICY: WIC drafts that are reported by a participant as lost or stolen must be documented on the WIC ADP system (DAISy) and tracked for subsequent redemption. Blank WIC draft stock lost or stolen from the local project must be reported immediately.

PROCEDURE:

A. REPORT TO THE ADP CONTRACTOR
    If a participant/proxy notifies the local project that WIC drafts were either lost or stolen, the ADP contractor must be notified. There are two methods of notification, and depends on whether or not drafts were replaced. *Note: Lost or stolen FMNP drafts are not reported to the ADP contractor.*

    1. Determine the serial numbers of the drafts which were used and which were lost/stolen by reviewing the Draft Summary Reports or DAISy.

    2. Determine the time elapsed since the first day to use. If it is more than 30 days past the first day to use, drafts cannot be replaced.

    3. Report lost/stolen drafts on DAISy. See WIC System Manual for the two methods of reporting.

        a) If drafts <u>are not</u> being replaced: report by choosing the lost or stolen menu option in the system menu. Lost or stolen FMNP drafts are never replaced.

        b) If drafts <u>are</u> being replaced: on the DAISy screen where drafts are replaced, check the box for reporting drafts lost or stolen.

B. "STOP PAYMENT" ORDERS

    1. Stop payment orders are not routinely done for drafts reported by participants as lost or stolen.

    2. Notify the Vendor Unit *immediately* if draft stock is lost or stolen from the local project.

    3. The Vendor Unit will contact the banking services contractor if a stop payment order is necessary.

C. HOW TO REPLACE WIC DRAFTS *(Note: Lost or stolen FMNP drafts are never replaced)*

1. For the current month's lost/stolen package (the package that was reported lost or stolen sometime between the first and last day to use): no more than a reduced (partial or "half") package may be given as a replacement, OR the project may decide to not replace any of the current month's drafts.

   a) The project should determine their policy for replacing lost/stolen drafts.

   b) The policy must be implemented consistently.

2. For second and/or third month's package(s) (as with multi-month issuance), replace each with a full package. Each replacement package should be issued on a monthly issuance interval (one month at a time).

3. Refer to the System Manual, Chapter 4 Replacement Drafts for instructions. When replacement drafts are selected, check the box for reporting the drafts as lost or stolen.

4. The participant/proxy must be instructed to continue looking for lost drafts, and notify the WIC project if the drafts are found, and not to cash the drafts that were reported lost/stolen.

5. If a participant uses drafts that were reported lost/stolen and were replaced, the participant may be liable for those drafts by suspension and repayment.

D. TRACK FOR SUBSEQUENT REDEMPTION

1. If any draft reported as lost or stolen is subsequently redeemed, it will appear on the Status of Lost/Stolen Drafts report.

2. Determine if replacement drafts were issued. Contact the Vendor Unit if replacement drafts were issued to determine if both the lost/stolen and replacement drafts have been redeemed.

3. Refer to Policy 8.2 Participant Fraud and Abuse for sanctions if the participant has redeemed both the lost/stolen and replacement drafts.

E. REOCCURING PROBLEMS
Recurring problems with lost/stolen drafts may require some draft issuance restrictions such as:

1. Restrict delivery to a responsible proxy

2. Restrict issuance interval to one month